

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

EGYPTIAN TELEPHONE COOPERATIVE)
ASSOCIATION)
)
)
Petition For Suspension Or Modification of)
Section 251(b)(2) requirements of the Federal)
Telecommunications Act pursuant to Section)
251(f)(2) of said Act; for entry of Interim)
Order; and for other necessary relief.)

Docket No. 03-0726

DIRECT TESTIMONY

OF

KEVIN J. JACOBSEN

FOR

EGYPTIAN TELEPHONE COOPERATIVE ASSOCIATION

January 9, 2004

48

49

50 Q. Please state your name and business address.

51 A. My name is Kevin J. Jacobsen, and my business address is 1010 West Broadway,

52 P. O. Box 158, Steeleville, Illinois 62288-0158.

53

54 Q. What position do you hold with the Petitioner, Egyptian Telephone Cooperative

55 Association?

56 A. I am Executive Vice President and General Manager of Egyptian Telephone

57 Cooperative Association.

58

59 Q. In light of certain of the issues in this proceeding and the relief being requested,

60 would you give a brief description, for the record, of what a telephone cooperative

61 is and what, as a practical matter, it means to Egyptian to operate as a telephone

62 cooperative.

63 A. Yes, I would be glad to. As I am going to indicate several times throughout my

64 testimony, I am not an attorney and my response is that of a layman and as

65 General Manager of Egyptian Telephone Cooperative Association. The main

66 difference between a telephone cooperative, such as Egyptian, and a commercial

67 company is that we are owned by our members, who are in turn our customers.

68 Within the geographic area in which Egyptian provides local exchange services as

69 the incumbent local exchange carrier, all of our customers are required to become

70 members of the Cooperative and, in turn, become part owners of the Cooperative.

71

72 The Cooperative is managed by a Board of Directors, who are elected by the
73 members of the Cooperative; i.e., customers of the Cooperative, and are each
74 members of the Cooperative and customers of the Cooperative.

75
76 The mission and purpose of Egyptian and other telephone cooperatives is to
77 provide our members (our customers) with the telecommunications services of the
78 type, variety and quality that our members desire. From a General Manager's
79 perspective, it is an understatement to say that we are very close and in tune with
80 our customers, since each is, in fact, one of our owners. If any customer/member
81 is the dissatisfied with their service or wants additional services, I am not only a
82 phone call or a visit away from one of my customers but one of my owners, as
83 well. The customer/member can also turn to one of his fellow local
84 residents/members/customers, who has been elected to the Board of Directors, to
85 see that his problem is fixed or his desires met.

86
87 As it pertains to issues involved in this proceeding and Egyptian's request for a
88 further suspension or modification of the wireline-to-wireless local number
89 portability requirements which will be discussed subsequently in my testimony, I
90 emphasize that a telephone cooperative, such as Egyptian, will provide to its
91 members/customers the services they want when a sufficient number of our
92 members/customers desire the service and all of our members/customers are
93 willing to pay the associated costs. However, we do not believe that Egyptian, as
94 a telephone cooperative, should be required to provide a discretionary service

95 such as this and to incur the associated costs until our members/customers want us
96 to do so.

97

98 Q. For the record and to provide background, did an Order of the Federal
99 Communications Commission entered in November, 2003 lead to the filing of the
100 Petition in this docket requesting a suspension or modification of the Section
101 251(b)(2) requirements related to the provision of wireline-to-wireless number
102 portability pursuant to Section 251(f)(2) of the Federal Telecommunications Act?

103 A. Yes, that is correct. The FCC on November 10, 2003 in response to a CTIA
104 Petition For Declaratory Rulings On Wireline-Wireless Porting Issues released a
105 Memorandum Opinion and Order and Further Notice of Proposed Rulemaking in
106 CC Docket No. 95-116. As it pertains to the Top 100 MSAs in the country, the
107 November 10, 2003 FCC Order concluded, in part, as follows at paragraph 22:
108 “We conclude that, as of November 24, 2003, LECs must port numbers to
109 wireless carriers where the requesting wireless carrier’s “coverage area” overlaps
110 the geographic location of the rate center in which the customer’s wireline
111 number is provisioned, provided that the porting-in carrier maintains the numbers
112 original rate center designation following the port.”

113

114 Q. Is a portion of Egyptian Telephone Cooperative’s service territory located within
115 a Top 100 MSA?

116 A. Yes. A portion of Egyptian’s service territory is located within the Illinois portion
117 of the St. Louis Metropolitan Statistical Area, which is one of the Top 100 MSAs.

118

119 Q. For the record, please provide a description of Egyptian Telephone Cooperative
120 Association and its operations.

121 A. As I previously indicated, Egyptian is a telephone cooperative. Egyptian is a
122 facilities-based incumbent local exchange carrier providing local exchange
123 communications services as defined in Section 13-204 of The Illinois Public
124 Utilities Act, and Egyptian is subject to the jurisdiction of this Commission except
125 as limited by Section 13-701 of the Act. Egyptian provides service in its Baldwin,
126 Blair, Glenn, Oakdale, Rice, St. Libory and Venedy exchanges. Our
127 Cooperative's service area consists of approximately 422 square miles in which
128 Egyptian provides service to approximately 3,256 access lines. Our service
129 territory is sparsely populated with Egyptian having approximately four
130 customers per square mile.

131

132 The largest town in Egyptian's service territory is St. Libory with a population of
133 approximately 525. Five hundred and fifty-eight (558) customers in the St.
134 Libory exchange, together with one customer in the Venedy exchange and two
135 customers in the Baldwin exchange, are located in St. Clair County. St. Clair
136 County is located within the Illinois portion of the St. Louis MSA.

137

138 Q. Is Egyptian a "rural telephone company" within the meaning of Section 153(47)
139 of the Federal Act and Section 51.5 of the Rules of the Federal Communications
140 Commission?

141 A. While I am not an attorney, it is my understanding that Egyptian is a “rural
142 telephone company” within the meaning of the Federal Act and the FCC’s Rules.
143

144 Q. As a rural telephone company, does Egyptian possess a “rural exemption” of the
145 251(c) obligations pursuant to Section 251(f)(1)(A) of the Federal Act?

146 A. While once again I am not an attorney, it is my understanding that Egyptian
147 possesses a “rural exemption” pursuant to the terms of the Federal Act.
148

149 Q. Has Egyptian received a *bona fide* request for interconnection, services or
150 network elements from any telecommunications carrier?

151 A. No, it has not.
152

153 Q. Has any telecommunications carrier requested this Commission to terminate
154 Egyptian’s rural exemption pursuant to the provisions of Section 251(f)(1)(B) of
155 the Federal Act?

156 A. No, they have not.
157

158 Q. Has any wireline telecommunications carrier requested Egyptian to provide
159 number portability?

160 A. No, they have not.
161

162 Q. Please explain how the last several answers are relevant to the subject matter of
163 this proceeding dealing with wireline-to-wireless local number portability.

164 A. I believe they are relevant and significant for at least three different reasons.
165 First, the fact that no wireline carrier has requested interconnection, network
166 elements and/or local number portability would indicate that there is not a
167 sufficient or significant demand for local number portability or service from
168 competitive carriers within Egyptian's serving area. Second, while larger local
169 exchange carriers, such as SBC, now have several years of experience in
170 providing local number portability at least to other wireline carriers, we at
171 Egyptian have no such experience since we have not provided local number
172 portability to any type of carrier at this point in time. SBC's employees have
173 presumably been trained and are used to dealing with technical and administrative
174 issues related to the provision of local number portability, while our employees
175 have no such experience or training at this point in time. Third, since large
176 companies, such as SBC, have been required to provide some type of number
177 portability for a substantial length of time, those companies have already incurred
178 many of the incremental costs associated with the provision of number portability;
179 and since Egyptian has not had previous requests or obligations to provide local
180 number portability, most all of the costs that would be associated with providing
181 local number portability would be new and additional costs to Egyptian at this
182 point in time.

183

184 Q. Had Egyptian received correspondence or inquiries from wireless carriers with
185 regard to local number portability prior to the release of the November, 2003 FCC
186 Order?

187 A. Yes, we had.

188

189 Q. For the record, please identify Egyptian's Composite Attachment 1 to Egyptian
190 Exhibit 1.0.

191 A. Egyptian's Composite Attachment 1 consists of copies of all correspondence,
192 inquiries or documents received from wireless carriers related to local number
193 portability by Egyptian prior to the time this testimony is being filed and
194 distributed. Egyptian's Composite Attachment 1 also contains copies of the
195 responses that Egyptian provided to the respective wireless carriers prior to the
196 time of the filing of this testimony. Egyptian's Composite Attachment 1 contains
197 a letter and form received from Sprint PCS dated May 16, 2003. We also
198 included within the Composite exhibit further correspondence from Sprint PCS
199 and associated forms dated July 14, 2003. With regard to that document, it should
200 be noted that Sprint PCS directed the correspondence to Egyptian
201 Communications Services, Inc., which is the long distance resale affiliate of
202 Egyptian Telephone Cooperative Association, rather than to Egyptian Telephone
203 Cooperative Association. Egyptian's Composite Attachment 1 contains
204 correspondence and related documents received from T-Mobile USA, Inc. dated
205 February 1, 2003 together with my response to T-Mobile. It should be noted that
206 this correspondence was also directed to Egyptian Communications Services, Inc.
207 and referenced geographic areas not served by either Egyptian Communications
208 Services, Inc. or Egyptian Telephone Cooperative Association. Egyptian's
209 Composite Attachment 1 also contains correspondence and attachments from

210 Verizon Wireless dated May 28, 2003 and September 5, 2003. Egyptian's
211 Composite Attachment 1 also contains correspondence and documents received
212 from Verizon Wireless directed to Egyptian Telephone Cooperative Association
213 dated September 24, 2003 and November 14, 2003. Responses of our FCC
214 counsel to Verizon Wireless dated July 23, 2003, September 25, 2003, September
215 29, 2003 and October 10, 2003 are also included within the Composite
216 Attachment.

217

218 Q. Prior to further discussing the correspondence received from wireless carriers, did
219 Sprint PCS, T-Mobile USA or Verizon Wireless have a point of interconnection
220 within Egyptian's serving territory or numbering resources from Egyptian at the
221 time of their respective inquiries?

222 A. No, they did not.

223

224 Q. Do any of those wireless carriers have a point of interconnection in Egyptian's
225 serving territory or numbering resources from Egyptian at the time this testimony
226 is being filed?

227 A. No, they do not.

228

229 Q. Does any wireless carrier have a point of interconnection within Egyptian's
230 serving territory or numbering resources from Egyptian at the time this testimony
231 is being filed?

232 A. No.

233

234 Q. As a practical matter, what is the consequence of a wireless carrier not having a
235 point of interconnection or numbering resources within the serving territory or
236 exchange from which a number is ported?

237 A. It is my understanding that as a practical matter it means that a call to such a
238 ported number from another Egyptian customer would have to be routed to a
239 location or a point of interconnection outside of our serving territory where the
240 wireless carrier does have a point of interconnection. The routing of a call to a
241 location outside of our local calling area would normally lead to such a call being
242 rated as an interexchange call or toll call.

243

244 Q. With regard to the correspondence contained within Egyptian's Composite
245 Attachment 1 that was received by Egyptian prior to the FCC's November Order,
246 did Egyptian seek the advice of its FCC counsel with regard to whether the
247 correspondence constituted a *bona fide* request under the FCC's Rules for local
248 number portability?

249 A. Yes, we did. We consulted with our FCC counsel and were advised by them that
250 those requests did not constitute *bona fide* requests under the FCC's Rules.
251 Obviously, the correspondence directed to Egyptian Communications Services,
252 Inc. was, not only, not directed to Egyptian Telephone Cooperative Association
253 but was directed to a long distance reseller, which does not have a switch and is
254 not the entity that has or assigns numbers to customers. The response of our FCC
255 counsel to Verizon Wireless, for example, identified at least certain of the

256 deficiencies in the correspondence and documents received. Besides other
257 deficiencies noted, the request to port numbers when the wireless carriers had no
258 point of presence or numbering resources within Egyptian's serving territory was
259 thought to be a request for "location portability" rather than "service provider
260 portability". "Location portability" was not thought to be required by existing
261 FCC Orders and Rules at the time those requests were received and responded to.

262

263 Q. After the FCC's November Order was released, did Egyptian again seek the
264 advice of counsel with regard to its obligation to provide local number portability
265 to wireless carriers, and more specifically, its obligations associated with the
266 requests that had previously been received?

267 A. Yes, we did. While once again speaking as a layman rather than as an attorney,
268 the FCC's November Order came as both a shock and a surprise to us at Egyptian,
269 and in my opinion, incumbent local exchange carriers throughout Illinois and the
270 country. The Order not only appeared from a layman's perspective to require
271 wireline-to-wireless number portability even though the wireless carrier did not
272 have a point of interconnection or numbering resources within the area, but also
273 appeared to require number portability to be up and running in the Top 100 MSAs
274 approximately two weeks later on November 24, 2003.

275

276 In connection with our review of the FCC Order, we did again consult with our
277 FCC counsel not only to obtain their opinion with regard to the requirements of
278 the Order but to specifically seek advice as to Egyptian's obligations with regard

to the November 24, 2003 date contained in the FCC Order, in light of the correspondence we had received from wireless carriers prior to the issuance of the FCC Order. With regard to that specific issue, we were advised that despite the inclusion of the November 24, 2003 date within the FCC Order, the FCC, in the Order, had not amended its preexisting local number portability rules and those rules specifically provided for the local exchange carrier was only required to make number portability available within six months after a specific request by another telecommunications carrier (47 C.F.R. § 52.23(c)). We had not only not received any correspondence directed to Egyptian Telephone Cooperative Association from a wireless carrier related to local number portability by May 24, 2003 (six months prior to the November 24, 2003 FCC Order date) but our counsel was also of the opinion that because of the other deficiencies identified in the correspondence received from wireless carriers, it was unlikely that we had received what would be deemed to constitute a specific or *bona fide* requests at any time prior to the issuance of the FCC's November Order.

Q. In the Petition filed by Egyptian with this Commission on November 21, 2003, a portion of the relief requested was for the entry of an Interim Order suspending any requirement that Egyptian might have to provide wireline-to-wireless number portability during the pendency of this proceeding and until further order of the Commission. In light of your previous testimony, why was this relief sought?

A. In the time period immediately following the entry of the FCC Order, Egyptian (and I believe other companies throughout the country) was having difficulty in

obtaining a complete understanding of the requirements of the FCC's November Order, including a basic understanding of our obligations with regard to the November 24, 2003 date. While a number of individual companies and national trade associations were seeking clarification or stays of the FCC Order, the situation and requirements remained uncertain as the November 24, 2003 date approached. As indicated in our Petition, the request for an Interim Order from this Commission was made out of an abundance of caution on Egyptian's part out of our concern that there would be a subsequent determination made that either the November 24, 2003 implementation date was applicable to Egyptian based upon a determination that the six months *bona fide* request requirement was no longer applicable or that one or more of the previously received wireless requests constituted a *bona fide* request within the meaning of the FCC's Rules.

Q. In light of Egyptian's belief that it had no obligation to provide wireline-to-wireless number portability to a wireless carrier who did not have a point of presence or numbering resources within Egyptian's serving territory prior to the issuance of the FCC's Order in November, could Egyptian have implemented the provision of wireline-to-wireless number portability by November 24, 2003?

A. No, from a technical and operational viewpoint, we could not have implemented local number portability by November 24, 2003 when we only became aware of the potential requirement approximately two weeks prior to that time. Subsequently in my testimony, I will be describing the various steps and requirements that our Company will have to undertake to implement wireline-to-

325 wireless number portability. Based upon the information currently available to
326 us, it is our belief that the necessary steps could be taken to implement wireline-
327 to-wireless number portability within 90-120 days from a specific date when we
328 would know that such implementation would be required. Those steps could not
329 have been accomplished by November 24, 2003.

330

331 Q. Following the status hearing held in this docket on December 3, 2003, did the
332 Commission enter an Interim Order temporarily suspending any obligation of
333 Egyptian to provide wireline-to-wireless local number portability until a final
334 Order is entered in this docket?

335 A. Yes, an Interim Order was entered on December 17, 2003 granting the relief you
336 described. That Order addressed our concerns that led to the request for an
337 Interim Order. Egyptian appreciates the Commission entering the Interim Order
338 and the efforts of the Staff and the Administrative Law Judge in that regard.

339

340 Q. In light of the entry of the Interim Order, is Egyptian requesting that the
341 Commission make a determination in this docket as to whether the
342 correspondence and documents received from wireless carriers contained in
343 Egyptian's Composite Attachment 1 constitute a *bona fide* or specific request in
344 accordance with the FCC's Rules?

345 A. With the relief granted by the entry of the Interim Order, we are of the opinion
346 that such a determination is not necessary. Egyptian is requesting that in the final
347 Order entered in this docket that a further suspension or modification of the

348 wireline-to-wireless local number portability requirements of Section 251(b)(2) be
349 granted pursuant to Section 251(f)(2) of the Federal Act. In our opinion, the focus
350 of the proceeding should be on that request for further relief rather than whether
351 the previous correspondence from wireless carriers did, or did not, constitute a
352 *bona fide* or specific request within the FCC's Rules.

353

354 Q. With regard to Egyptian's request for a further suspension or modification of any
355 obligations it may have to provide wireline-to-wireless number portability, please
356 describe Egyptian's basic position.

357 A. Egyptian is requesting that the Commission grant it a further suspension or
358 modification of any obligations it may have to provide wireline-to-wireless local
359 number portability within its entire service territory (including areas both within
360 and outside of the Top 100 MSAs) at this time. I will be describing the specific
361 relief we are requesting subsequently in my testimony.

362

363 While Egyptian disagrees with certain of the determinations made by the FCC in
364 its November, 2003 wireline-to-wireless number portability Order, we are not
365 attempting to challenge those determinations in this proceeding but to seek a
366 further suspension or modification of the wireline-to-wireless number portability
367 requirements in accordance with our right to seek such relief under the provisions
368 of Section 251(f)(2) of the Federal Act.

369

370 The above said, it is Egyptian's position that a small cooperative, such as
371 Egyptian, should not be required to provide wireline-to-wireless local number
372 portability within our serving area until such time as the operational,
373 administrative and technical problems associated with its provision have been
374 worked out on a more global basis by the large incumbent local exchange carriers,
375 such as SBC, and the large wireless carriers requesting number portability. As I
376 previously indicated in my testimony, companies such as SBC have been
377 providing some type of local number portability for a number of years. Those
378 companies have already made the incremental investment to provide local number
379 portability and have trained employees and have had ongoing business experience
380 in the provision of at least some type of local number portability. As my
381 testimony has already indicated, Egyptian has not had the obligation to provide
382 any type of number portability, and therefore, has not incurred the incremental
383 costs nor does it have the background and experience in the provision of any type
384 of local number portability. Statements from the FCC, news stories, and the trade
385 press have made clear that there are indeed operational, administrative and
386 technical problems that do need to be worked through on an industry basis. A
387 recent FCC news release indicated that they had received in excess of 2,000
388 customer complaints related to the implementation of local number portability
389 both between wireless carriers and with regard to wireline-to-wireless number
390 portability. In Egyptian's view, from a policy and industry perspective, this
391 would appear to be similar to the situation when customers were initially allowed
392 to presubscribe to interexchange carriers. Presubscription was initially

implemented by the large carriers, such as the RBOCs; and the operational, administrative and technical difficulties associated with presubscription were worked out over a period of time between those large incumbent local exchange carriers and the large interexchange carriers, such as AT&T, MCI and Sprint. In connection with determinations made related to the Primary Toll Carrier Plan in Illinois, this Commission provided a different and subsequent timetable of presubscription for small companies, such as Egyptian, after experience had been gained from the larger companies.

Second, it is Egyptian's position that it should in no event be required to provide wireline-to-wireless local number portability until such time as regulatory decisions have been made and mechanisms put in place that will allow Egyptian to recover all of its costs associated with the provision of wireline-to-wireless local number portability. The FCC's Orders to date, including the November, 2003 Order, fail to address how numerous significant costs, such as the cost of transporting calls to wireless points of interconnection outside of the incumbent local exchange carriers' serving area and associated transiting or tandem switching costs, will be recovered. While it is Egyptian's belief that those costs should not be borne by Egyptian or its customers, no regulatory decision by the FCC or this Commission has been made as to how those costs will be recovered and mechanisms put in place to allow for such recovery.

415 Third, the evidence I will be submitting will demonstrate that the additional or
416 marginal costs to Egyptian of providing wireline-to-wireless number portability
417 are significant for a company of our size and would be unduly economically
418 burdensome upon the company unless cost recovery mechanisms are put in place.
419 The evidence will also show that although we do not believe all of the
420 incremental costs of providing wireline-to-wireless local number portability
421 should be borne by our customers, that lacking regulatory determinations that the
422 costs may be recovered in some other manner, recovery of these costs from our
423 end user customers would have a significant adverse economic impact upon them.
424 The granting of a further suspension or modification is not only consistent with
425 the statutory criteria of Section 251(f)(2)(A) but would also be consistent with the
426 public interest, convenience and necessity.
427
428 Finally and related to the above, it is Egyptian's belief that a small cooperative,
429 such as Egyptian, should not be required to provide wireline-to-wireless local
430 number portability until there is a demonstrated desire or demand for that service
431 from our customers. I believe that is particularly so, since we are a telephone
432 cooperative as I previously indicated. While I will discuss this subsequently in
433 my testimony, at this point, there is little, if any, data to demonstrate whether
434 there is a significant demand for wireline-to-wireless number portability
435 anywhere in the country, let alone within our Co-Op's serving territory. While
436 the FCC, based upon the statements of Chairman Powell and others, apparently
437 believes there is a demand and certain analysts or pundits have forecasted a

438 demand, Egyptian sees no evidence that there is a significant demand for the
439 service within the Co-Op's serving area. Egyptian would be willing to provide
440 the service at such time as there is a demonstrated demand from our
441 members/customers for the service together with a willingness by all of our
442 members to pay for the service. However, it is Egyptian's position that we should
443 not be required to provide the service until such a demand is demonstrated, since
444 the adverse economic impact on our customers to recover from them the
445 incremental costs associated with the provision of the service would be even more
446 contrary to the public interest if there is little or no demand for the service.

447

448 Q. Is the analysis you have conducted in regard to what is required for Egyptian to
449 provide wireline-to-wireless number portability and the associated costs related to
450 the provision of service throughout Egyptian's entire service territory?

451 A. Yes, that is correct. While the November 24, 2003 date potentially pertained only
452 to the portion of our customers within the St. Louis MSA, the provision of
453 wireline-to-wireless number portability would be required throughout our serving
454 territory by May 24, 2004 (if a *bona fide* request has been received within six
455 months of that date) under the FCC's Order. As a result, the analysis we have
456 conducted and our request for a further suspension and modification pertains to
457 the provision of wireline-to-wireless number portability throughout our serving
458 territory.

459

460 Q. Have other small companies filed Petitions with the Commission requesting
461 similar relief to what is sought by Egyptian with regard to wireline-to-wireless
462 number portability?

463 A. Yes. Other small companies (Alhambra-Grantfork, Harrisonville, Home and
464 Madison) have filed similar Petitions with the Commission since those
465 companies also had at least a portion of their serving territories located within the
466 St. Louis MSA.

467

468 Q. Has Egyptian, or representatives of Egyptian, had discussions with certain of
469 those other small carriers concerning the activities and costs that would be
470 involved in the provision of wireline-to-wireless local number portability and
471 associated issues?

472 A. Yes, we have. In light of our lack of experience in providing local number
473 portability and our limited resources, we have had discussions with
474 representatives of some of the other companies and their consultants and advisers
475 so we could pool information and make certain we are all correctly identifying the
476 activities and costs involved in the provision of wireline-to-wireless local number
477 portability. To the extent we had to make estimates or assumptions concerning
478 certain of the costs, those were discussed by each of the companies, including
479 Egyptian, as to what were appropriate estimates or assumptions.

480

481 In order to understand technical, operational and administrative challenges related
482 to the provision of wireline-to-wireless number portability, we have also sought

483 out and relied upon information provided to us and other wireline carriers and by
484 companies, vendors and associations with expertise in the area.

485

486 Q. In that regard, would you please identify Attachment 2 to Egyptian's Exhibit 1.0.

487 A. Attachment 2 to my testimony is information that VeriSign provided to Egyptian
488 and industry members in a web session held on December 12, 2003. Attachment
489 2 provides a technical description of what is involved in the provision of wireline-
490 to-wireless local number portability and various technical, operational and
491 administrative issues that will have to be addressed by all companies, including
492 Egyptian, if Egyptian was to provide wireline-to-wireless local number
493 portability. The Attachment describes not only the types of activities that are
494 involved but also the types of information that must flow, the types of agreements
495 that would need to be entered into, and the types of upfront and ongoing training
496 that will be required.

497

498 Attachment 2 also identifies issues and problems related to the provision of 911
499 and E-911 Service in a wireline-to-wireless number portability scenario. We are
500 very concerned that these 911 and E-911 problems be worked out and resolved on
501 an industry basis prior to any time that Egyptian is required to provide wireline-
502 to-wireless number portability to our customers.

503

504 We have attempted to take information such as that provided by VeriSign in
505 Attachment 2 into account in attempting to estimate the incremental costs
506 involved to Egyptian of providing wireline-to-wireless local number portability.

507

508 Q. Please provide a general description of what Egyptian would be required to do
509 and the types of costs that would be incurred for Egyptian to provide wireline-to-
510 wireless number portability throughout its serving area.

511 A. Egyptian has a Nortel DMS-10 host switch, which is located in our Baldwin rate
512 center and exchange. All other rate centers and exchanges of Egyptian are served
513 by remotes operating off of the Baldwin host. While the current generic software
514 contained in the Baldwin host will accommodate number portability, that capacity
515 or feature has not been “loaded or activated”. As I will discuss subsequently in
516 connection with the costs involved, we would need Nortel personnel to load and
517 activate that capability. Nortel personnel would also need to make translations in
518 the switches and perform testing and verification.

519

520 Egyptian would need to select and enter into an agreement with a vendor to
521 provide local number portability service or administration services. Since at least
522 calls to ported numbers and long distance calls would need to have a data base dip
523 in connection with the provision of number portability, an application will have to
524 be filed with NPAC, the national provider of that service, to obtain NPAC service
525 management system services. The information contained in Attachment 2 (the
526 VeriSign document) provides in greater detail all of the types of activities,

527 coordination, testing and agreements that would need to be dealt with and entered
528 into prior to the implementation of local number portability.
529

530 Egyptian's operational support systems will need to be reviewed and modified by
531 Egyptian's OSS vendors to accommodate number portability. Query costs will be
532 incurred on a going-forward basis. Administrative, service ordering, customer
533 service, along with regulatory and legal costs, will be incurred by Egyptian in
534 connection with any requirement to implement and provide wireline-to-wireless
535 local number portability.
536

537 In addition, appropriate training of Egyptian personnel will be required and will
538 need to be completed with rather extensive training being required of a number of
539 technical personnel.
540

541 Customer education efforts will have to be undertaken, not only in connection
542 with any initial offering of wireline-to-wireless number portability, but on a
543 ongoing basis, as well. There will be ongoing operational and technical costs
544 involved in the provision of local number portability.
545

546 In addition, there are the transport and transiting costs, which I will be discussing
547 subsequently in my testimony. The above is a very general and broad description
548 of the types of activities and costs that will be incurred.
549

550 Q. If Egyptian were to be required to implement wireline-to-wireless local number
551 portability, what is your understanding as to how an Egyptian Cooperative's
552 customer call to an Egyptian Cooperative number that has been ported to a
553 wireless carrier would be delivered to the wireless carrier?

554 A. The FCC's Orders and Rules as they now stand do not require a wireless carrier to
555 have a point of presence within Egyptian's area nor do they require the wireless
556 carrier to establish direct trunks to Egyptian for the purpose of delivering calls.
557 Since no wireless carrier has a point of interconnection or numbering resources in
558 any exchange or rate center within Egyptian's serving area, we believe, based
559 upon the FCC's current requirements, that all calls from Egyptian wireline
560 customers to a Egyptian customer, who had ported his/her number to a wireless
561 carrier, would have to be transported to the tandem that particular Egyptian office
562 subtends for delivery to the wireless carrier. Egyptian's Oakdale, Rice, St. Libory
563 and Venedy exchanges subtend the SBC tandem in Collinsville, Illinois; and
564 therefore, calls to numbers ported from those exchanges would have to be
565 delivered to the SBC tandem in Collinsville for delivery to the wireless carrier.
566 Egyptian's Baldwin, Blair and Glenn exchanges subtend the Verizon tandem in
567 Sparta, Illinois. Therefore, calls to numbers ported from those exchanges would
568 have to be delivered to the Sparta tandem for delivery to the wireless carrier.
569

570 Based upon our understanding and based upon information that small company
571 representatives have obtained from SBC, it is our belief that initially common
572 transport facilities provided by both Egyptian and SBC would be used to transport

573 calls to the Collinsville tandem and that tandem switching facilities provided by
574 SBC would need to be used to transit the call to a particular wireless carrier. In
575 the case of calls that need to be delivered to the Sparta tandem of Verizon, this
576 would again involve common transport facilities provided by both Egyptian and
577 Verizon to transport the calls to Sparta; and the tandem switching facilities
578 provided by Verizon would be used to transit those calls to a particular wireless
579 carrier. In the cost analysis we will be presenting, we have estimated the transport
580 and transiting costs, based upon the rate elements and rates that SBC has indicated
581 would be applicable, and Egyptian's access rates for transport for the calls that
582 would need to be delivered to the Collinsville tandem. In a similar fashion, we
583 have estimated the transport and transiting costs based upon the rate elements and
584 rates that we understand Verizon would charge and Egyptian's access rates for
585 transport for the calls that would need to be delivered to the Sparta tandem.

586

587 Q. So the record is clear, is it your understanding that neither the FCC, nor this
588 Commission, has to date determined the responsibility for the payment of those
589 types of costs and any associated intercarrier compensation for the transport of
590 calls nor has a determination been made as to how those costs should be
591 recovered?

592 A. That is correct. It is my understanding that neither the FCC, nor this Commission,
593 has to date determined the responsibility for those costs or how they are to be
594 recovered.

595

596 Q. Does Egyptian believe that Egyptian, and ultimately its end user customers,
597 should be responsible for those transport, transiting and related costs?

598 A. No. We believe those costs should not be the responsibility of Egyptian and/or its
599 end user customers. However, at this point in time and for the purpose of
600 projecting the estimated costs involved in the provision of wireline-to-wireless
601 local number portability, we have had no choice but to assume the worst case
602 scenario in which Egyptian would be responsible for the costs of delivering those
603 calls to the wireless carrier and ultimately recovering those costs from our end
604 user customers. As I stated earlier in my testimony, it is Egyptian's more basic
605 position that we should not be required to provide wireline-to-wireless number
606 portability until such time as determinations have been made as to how all of the
607 costs, including the transport and transiting costs, are to be recovered and
608 mechanisms are in place that will allow Egyptian to recover all of its costs of
609 providing wireline-to-wireless local number portability.
610

611 Q. Has Egyptian attempted to estimate the costs that would be involved for Egyptian
612 to provide wireline-to-wireless local number portability, and in turn, the potential
613 amount that would have to be recovered from each of Egyptian's customers per
614 month to recover those costs?

615 A. Yes, we have. While certain of the costs are based upon information we have
616 received from vendors, we have had to estimate a number of the incremental costs
617 and make certain assumptions regarding the quantity of numbers that would be
618 ported and the traffic to those numbers from other Egyptian customers. Within

619 the time involved and taking into account our lack of experience in providing
620 local number portability, I am providing what I would characterize as Egyptian's
621 "best estimate" of the costs involved and the potential amount that would have to
622 be recovered from Egyptian's customers.

623

624 Q. What model or methodology have you and your consultants used in preparing the
625 costs estimate?

626 A. The FCC has had rules in place for some time regarding local number portability
627 cost recovery for landline-to-landline number portability pursuant to which a
628 federal end user surcharge could be tariffed and filed for that cost recovery.
629 Those rules contain certain investment costs and certain ongoing expenses to be
630 recovered via an end user surcharge to be in place for a five year period of time.
631 Present value calculations are involved in establishing the surcharge. We have
632 used that type of methodology in order to estimate the costs over a five year
633 period of time and the amount of a potential customer surcharge. We have
634 included all of the incremental costs that we believe would be incurred.

635

636 Q. Does the FCC's methodology address the recovery of the transport and transiting
637 costs you previously discussed?

638 A. No, it does not. As I previously indicated, no determination has been made by the
639 FCC, nor this Commission, concerning the recovery of those costs. However, for
640 the reasons I previously stated, we have estimated that the amount of those costs

641 over a five year period of time and included them within the calculations, since
642 under a worst case scenario, they would have to be recovered from our end users.

643

644 While we have used the FCC methodology, the purpose was not to establish the
645 amount that could be recovered under the FCC Rules but rather the amount which
646 in some fashion, whether it be through surcharges or increases in basic rates,
647 would have to be recovered from our end user customers.

648

649 Q. Has Egyptian used a particular model in making its costs estimates?

650 A. Yes, we have. Our model is based on cost support filed and approved by the
651 National Exchange Carriers Association (NECA) in a local number portability
652 filing, which they made with the FCC in NECA's Transmittal #956. That NECA
653 model has been used by individual companies to file their federal surcharges, and
654 as a result, we felt comfortable using the same approach.

655

656 Q. So that the record is clear, is Egyptian requesting this Commission to approve the
657 cost estimates it is submitting as its incremental costs of providing wireline-to-
658 wireless local number portability?

659 A. No, we are not. The estimates are being submitted to provide the Commission the
660 best estimates we have of the incremental costs we would incur and the estimated
661 amounts we would have to recover from our customers by some means if we were
662 required to provide wireline-to-wireless local number portability at this time. The
663 information is also submitted in light of the statutory criteria contained in Section

664 251(f)(2) of the Federal Act pursuant to which we are seeking a further
665 suspension or modification of the wireline-to-wireless local number portability
666 requirements.

667

668 Q. For a similar reason, would you indicate for the record whether Egyptian is
669 requesting that the Commission approve any type of end user surcharge, or
670 increased customer rate, connected with the provision of wireline-to-wireless
671 local number portability or find that any such amount is appropriate to be
672 recovered under the federal surcharge.

673 A. No, we are not. The information is being presented for the reasons I previously
674 indicated, and most specifically, not to ask that the Commission approve some
675 type of end user rate increase and/or surcharge or to find that a surcharge amount
676 is appropriate if tariffed at the federal level.

677

678 Q. For the record, please identify Attachment 3 to Egyptian Telephone Cooperative
679 Association's Exhibit 1.0.

680 A. Attachment 3 is Egyptian's exhibit estimating the total costs to Egyptian of
681 providing wireline-to-wireless local number portability. The Attachment is five
682 pages in length. The first page of the Attachment entitled "Egyptian Telephone
683 Cooperative Association Local Number Portability Data Summary" sets forth the
684 total costs that Egyptian has projected, as I previously described. As can be seen
685 from looking at that page of the exhibit, there are initial local number portability

start-up costs, both in the Investments and Expenses categories, and then certain ongoing expenses over the five year period of time.

Before applying present value factors, the total cost is \$312,867. After applying present value factors, the cost is \$255,670.

As shown at the bottom right-hand corner of that page of the Attachment, Egyptian would have to recover \$1.91 per month from each access line either by means of a surcharge or a rate increase to recover the costs as described. It is Egyptian's position that the Commission should find that a further suspension or modification of any obligation Egyptian may have to provide wireline-to-wireless local number portability is necessary to avoid a significant adverse economic impact on our customers or to avoid imposing a requirement that is unduly economically burdensome on Egyptian and that the granting of such further suspension is consistent with the public interest, convenience and necessity.

The remaining pages of Attachment 3 contain schedules and information of a back-up or workpaper nature. While those materials might not normally be submitted into the record or provided initially, in light of the time constraints of the proceeding, we have included those materials so they would be available to the Staff and the Administrative Law Judge at the earliest possible time.

708 Q. I am now going to ask you questions concerning each of the line items on page 1
709 of Attachment 3. What costs are connected with the line item “LNP Software”
710 and how were those costs estimated?

711 A. This is the loading or activation of the local number portability capability within
712 our switches, which I previously referred to. The cost of \$15,200 is based upon
713 information that we received from Nortel. Their charge is \$4.00 per equipped
714 line. The equipped lines are different from the lines in service, and the total
715 amount is derived by multiplying \$4.00 [x] Egyptian’s number of equipped lines.

716

717 Q. What costs or activities are involved with the line item entitled “OSS” and how
718 are those costs determined?

719 A. In connection with the implementation of local number portability, we will need
720 to modify our Operational Support Systems. For example, today when a customer
721 leaves and no longer has our service within our system, that number is just
722 returned to the pool of numbers that are available for assignment. Changes in the
723 Operational Support Systems will have to be made so the number that is ported is
724 flagged in order not to be reassigned to another customer. Our vendor for an
725 Operational Support Systems is Martin Group. We have not been able to get a
726 firm quote from them. However, based upon our experience with them in regard
727 to prior upgrades of OSS systems and the experiences of certain of the other small
728 companies, we believe \$20,000 is reasonable, and perhaps, a low estimate for this
729 cost.

730

731 Q. What is the basis for the estimated \$3,000 cost for switch translations?
732 A. Representatives of the small companies have determined from Nortel that the
733 translations would have to be performed only on our host switch and that the cost
734 per host switch is \$3,000. At this point, we intend to rely upon Nortel personnel
735 to perform these translations and to conduct associated testing and verification. It
736 is our understanding that other small companies who have asked for a suspension
737 or modification may be including engineering consultants and in house personnel
738 with regard to the necessary testing and verification. While at this point we
739 intend to rely upon Nortel to perform those functions, we may have
740 underestimated this cost if we find that other personnel need to be involved in the
741 testing and verification process.

742
743 Q. Are the query and transport and transit expenses you have estimated and which
744 are included on the first page of Attachment 3 related to or driven by demand?
745 A. Yes, they are. As a result, we had to make an assumption or estimate of the
746 number of our customers who would potentially port to a wireless carrier and the
747 volume and duration of the calls from other Egyptian customers to those ported
748 numbers. As I indicated previously in my testimony, it is Egyptian's belief that
749 there would be little, if any, demand for wireline-to-wireless portability by our
750 customers. However, as I also indicated, FCC Chairman Powell and others at the
751 FCC, apparently based upon their public statements, believe there is a great
752 demand on a nationwide basis; and the news media and trade press coverage of
753 the potential demand for wireline-to-wireless number portability covers a wide

754 range, including some quite substantial projections. In the news media and trade
755 press, we have seen estimates ranging from as high as 50% of landline customers
756 who would port their number to a wireless carrier within the next five years. We
757 have also seen other estimates of 35% over five years and 8% over five years.
758 We have also discussed the potential demand with our consultants and advisors as
759 well as some of the other small companies who would be required to make similar
760 estimates, as well.

761

762 The estimate we contained in the exhibit and are making for this proceeding is
763 that 6% of our access lines would port to a wireless carrier in the first year we
764 implement wireline-to-wireless number portability and that 1% more would port
765 in each of the second, third, fourth and fifth years, so that by the end of the fifth
766 year, 10% would have ported.

767

768 We then examined our internal data concerning originating and terminating
769 minutes of use to our customers and the average call duration for local calls.
770 Using this data and with the assumption that all of the customers who ported to a
771 wireless carrier were typical with regard to the volume and duration of calls they
772 would receive would be the same as our average customer, we projected the
773 number of calls and minutes of use that would need to be queried, transported and
774 transited to wireless carriers over the five year time horizon. This information
775 was then used in estimating both the query expenses and the transport and
776 transiting expenses. This was a two part process for Egyptian, since we had to

777 look at both our end offices or exchanges to the SBC tandem in Collinsville and
778 separately looked at those exchanges that subtended the Verizon Sparta tandem.

779

780 Q. Taking into account your previous response, how was the amount of the query
781 expense over the five years determined?

782 A. Based upon discussions we have had, it is our current understanding that we could
783 put triggers into our switch that would result in only calls to ported numbers and
784 long distance calls being required to be queried. The rate per query dip has been
785 obtained from a vendor and the projected demand was developed as described
786 above. Based upon our present understanding, the query expense is relatively
787 minimal.

788

789 Q. Please describe the estimates included for transport and transit.

790 A. Differing from the query expense, the transport and transit costs are significant.
791 In order to develop the combined minute of use rate reflected in the schedules
792 contained within Attachment 3, the projected traffic would have to be delivered to
793 the Collinsville tandem and then use the per minute of use demand projections as
794 discussed above with regard to that traffic. In a similar manner, we used rate
795 elements that our consultants were able to obtain from Verizon's rates that were
796 comparable to those provided by SBC and Egyptian's transport access rates in
797 order to develop the combined minutes of use rates reflected in the schedules for
798 traffic that would be delivered to the Sparta tandem.

799

800 Like the query costs, the transport and transit costs grow from year to year based
801 upon the estimates of how many customers will have ported their numbers to
802 wireless carriers in each of the first five years. Both the query and transport and
803 transiting costs, as well as many of the other expenses, would continue on and
804 could potentially grow beyond the five year time horizon included within the
805 exhibit.

806

807 Q. If the higher projections concerning the volume of customers who would port to
808 wireless carriers occur, what would be the impact on the estimates you are
809 presenting?

810 A. If a higher number of customers port resulting in higher call volumes, we will
811 have underestimated both transport and transit costs, as well as the query costs
812 and potentially other costs. We would also have fewer access lines over which to
813 recover any costs, and the cost per subscriber, per month would be higher than
814 that reflected on Attachment 3.

815

816 Q. If on the other hand Egyptian's belief is correct that there is little or no demand
817 for wireline-to-wireless number portability, what would be the impact?

818 A. If that is correct, we would have overestimated variable costs, such as transport
819 and transit. However, the initial start-up investments and expenses would remain
820 as well as certain ongoing expenses. In our view, until there is a proven demand,
821 those expenses and investments should not be incurred and they would, in fact, in
822 some ways be even more unfair and burdensome on our customers to make them

823 pay for the cost for a service (although the cost would be lower) which they do
824 not desire.

825

826 Q. Please comment on the expense line labeled

827 “Regulatory/Legal/Administrative/Order Process/Customer Service”.

828 A. We have estimated initial or start-up legal and regulatory costs in the amount of
829 \$20,000. With regard to the ongoing yearly expenses, the consulting firm of
830 GVNW provides LNP administration for an annual fee of \$2,000. They would
831 also then assess per port fees. The annual expenses for years one through five
832 will reflect a combination of those costs.

833

834 We believe there will be additional administrative expenses, including customer
835 service; but they have not been included in the cost estimates since at this point in
836 time I am not comfortable with a methodology that would accurately estimate
837 them. However, I believe there will be costs of this nature that are incremental to
838 the provision of wireline-to-wireless local number portability and our cost
839 estimate is on the low side since they are not included.

840

841 Q. Please explain the “Employee Education” expense, which you have included
842 within the Attachment.

843 A. Nortel is providing technical training with regard to local number portability, and
844 we believe that at least three of our technical personnel would need to go through
845 those various training courses. The price for those courses as quoted by Nortel

846 are expensive and would result in a cost of \$26,895 based on Nortel's fees
847 together with associated transportation and lodging costs. In addition, all non-
848 technical employees of the Company would need to be trained. We have
849 estimated that this training would cost \$300 per employee. There would be
850 ongoing employee training over the years, and we have estimated that training to
851 cost \$900 per year.

852

853 Q. Please discuss the line item entitled "Technical Trouble", which I understand
854 includes technical support to implement the local number portability process and
855 would solve ongoing operational or technical issues related to the provision of
856 local number portability.

857 A. This is an estimate based upon our Company's experience with similar issues and
858 services. We have projected total technician time and estimated labor rates over
859 the entire five year period and then spread the cost, in part, between start-up costs
860 with the remaining amounts being incurred over each of the five years.

861

862 Q. Please provide the basis for the estimated costs related to "customer education".

863 A. If we were required to implement wireline-to-wireless number portability, we
864 believe there would have to be at least two customer education mailing pieces
865 prior to its implementation and that we would then need to have two ongoing
866 mailings for customer education purposes each year. Based upon the costs of
867 previous pre-prepared mail pieces and our discussions with other companies, it is
868 our estimate that the costs of a mailing to each customer is 75¢ per mailing, which

869 once again would occur twice each year. In looking at page 1 of Attachment 3,
870 you can see that the costs decline per year because of our assumption that we
871 would have fewer access lines as time goes by as a result of certain customers
872 porting their numbers to wireless carriers, as previously discussed.

873

874 Q. Am I correct that present value calculations were performed as reflected on page
875 1 of Attachment 3?

876 A. Yes, that is correct.

877

878 Q. Does that complete your discussion of Attachment 3 and Egyptian's estimates of
879 the incremental costs involved to it and the potential amounts that would need to
880 be recovered from its customers if required to implement wireline-to-wireless
881 number portability?

882 A. Yes, it does. I would again like to note that I have not gone into all of the detail
883 concerning the various elements reflected in the VeriSign document, which is
884 Attachment 2. The cost estimates are based upon what we know today and take
885 into account the estimates and assumptions we have made. Other companies may
886 be able to include additional estimated costs, which I have not included within the
887 Egyptian exhibit, and to that extent, the estimated costs contained in Attachment 3
888 may well be low.

889

890 Q. Previously in your testimony, you indicated that you would be describing the
891 specific relief that Egyptian is requesting. Is Egyptian asking the Commission to

892 enter an Order in this docket permanently suspending any obligation that
893 Egyptian may have to provide wireline-to-wireless local number portability?

894 A. No, we are not.

895

896 Q. Please describe the relief the Egyptian is requesting?

897 A. We have given considerable thought to exactly what type of relief Egyptian
898 should ask that the Commission grant in this proceeding and have discussed this
899 issue with our counsel and certain of the other small companies. As I stated
900 earlier in my testimony, for a small company such as ours, we don't believe we
901 should be required to provide wireline-to-wireless number portability until all of
902 the technical, operational and administrative difficulties that had been discussed
903 have been worked out through the experiences of larger wireline carriers, such as
904 SBC, and the wireless carriers desiring to port numbers. In addition, we should
905 not be required to provide the service until determinations have been made as to
906 how all of the costs, including the transport and transiting costs previously
907 discussed, will be recovered by our Company and mechanisms are in place
908 providing for that recovery. Until those determinations are made, it is impossible
909 to make a completely accurate determination as to the amount of costs that will
910 need to be recovered from our Company's customers on a going forward basis.
911 Our Company cannot today know either when those determinations will be made
912 or what they will be. As a result, we cannot project a particular length of time or
913 when it might be appropriate to reexamine these issues based upon the
914 determinations that have been made.

915

916 The above said, we are aware that Verizon North and Verizon South petitioned
917 the Commission for a waiver of the Advanced Services requirements contained in
918 The Illinois Public Utilities Act. From a customer's perspective or a policy
919 perspective, it would appear that a waiver of the Advanced Services requirements
920 is as significant, if not far more significant, than a similar postponement or waiver
921 of wireline-to-wireless number portability requirements. It is our understanding
922 that Verizon was granted a waiver for five years of the Advanced Services
923 requirements. We believe it would be appropriate, and would request, that the
924 Commission grant a suspension of any obligation our Company has to provide
925 wireline-to-wireless local number portability for a fixed period of five years.

926

927 In the alternative, once the technical, operational and administrative difficulties
928 are worked out and once decisions are made that would allow the Cooperative to
929 recover all of its costs related to the provision of wireline-to-wireless number
930 portability, we think this is a consumer issue that should be decided by the
931 customers of our Cooperative. Is there a sufficient demand or desire for wireline-
932 to-wireless portability that merit the expenditures and costs involved? Are our
933 Cooperative's customers willing to pay the costs that will be assessed to them in
934 order to have the ability to port a wireline number to a wireless carrier?

935

936 If we can recover all of our costs, we are willing to provide the service if a
937 sufficient number of our customers want the service and all of our customers are
938 willing to pay the charges that will be assessed to them.

939

940 While Egyptian is a telephone cooperative and our local rates are not subject to
941 the jurisdiction of the Commission, we are aware that other small companies are
942 subject to the provisions of Section 13-504 of the Public Utilities Act as it pertains
943 to changes in their local rates. If a small company files a rate increase, the
944 Commission, pursuant to the terms of Section 13-504, must conduct an
945 investigation of a rate increase if 10% or more of that company's access line
946 subscribers file a petition or a complaint requesting such an investigation. In my
947 view, that type of standard would seem to have applicability to a situation such as
948 this. As a result, rather than granting a suspension or waiver of the requirement
949 for a fixed period of time, such as five years, we would not object to the
950 Commission entering an Order granting a suspension of the wireline-to-wireless
951 number portability requirements until further Order of the Commission with the
952 Order indicating that this docket and investigation would be reopened based upon
953 a petition or request of 10% of all affected access line subscribers requesting
954 wireline-to-wireless number portability.

955

956 While the Cooperative desires to avoid the expense associated with the
957 investigation being reopened, in considering the relief to be requested, we
958 recognize that there could be a significant change in circumstances as a result of

959 the passage of time. As a result, under either of the alternatives outlined above,
960 the Cooperative would not object to the Order providing that this proceeding be
961 reopened for further investigation at any time after three years based upon a Staff
962 Report to the Commission indicating that there had been a significant change in
963 circumstances that merited reexamination of the suspension or modification
964 granted herein.

965

966 Q. In light of the relief that Egyptian is requesting in this proceeding, has Egyptian
967 made the incremental investments and incurred the expenses you have described
968 so as to be able to provide wireline-to-wireless local number portability at the
969 conclusion of this docket or by May 24, 2004?

970 A. No, we have not. I don't believe it would be financially prudent for our Co-Op to
971 make these investments or incur the start-up expenses until a final Order is
972 entered in this docket based upon the relief we are requesting. To do so, it would
973 not be in the best interest of the members of our cooperative.

974

975 Q. Based upon the schedule that has been adopted in this docket, what is your
976 understanding as to when a final Order may be entered by the Commission with
977 regard to Egyptian's request for a further suspension or modification of its local
978 number portability obligations?

979 A. It is my understanding that an Order will likely be entered in the month of May,
980 2004 sometime shortly before the May 24, 2004 local number portability time
981 deadline set for areas outside of the Top 100 MSAs in the FCC Order.

982

983 Q. While it is obviously Egyptian's request that the Commission grant the relief
984 sought herein, would Egyptian be in a position to provide wireline-to-wireless
985 local number portability throughout its serving area on May 24, 2004 if the
986 Commission for some reason did not grant the relief requested herein?

987 A. No, as discussed previously in my testimony, it is our belief that it would take at
988 least 90-120 days from the date we knew we would have to provide wireline-to-
989 wireless number portability to implement that offering.

990

991 Q. As a result, if the Commission for some reason would not grant the relief
992 Egyptian is requesting herein, does Egyptian request that the Commission's Order
993 grant it sufficient time to implement wireline-to-wireless number portability?

994 A. Yes. While we certainly hope the Commission will grant the relief we have
995 requested, if for some reason it is not granted, Egyptian would ask that the final
996 Order grant a further interim suspension of our obligation for a period of 120 days
997 after the May 24, 2004 deadline.

998

999 Q. Does that conclude your testimony?

1000 A. Yes, it does.

Egyptian Telephone Cooperative Association

(Docket No. 03-0726)

Attachment 2

VeriSign—The Wireless Number Portability Challenge for Wireline Carriers



The Wireless Number Portability Challenge for Wireline Carriers

Maggie Lee
Sr. Technical Solutions Mgr.
913-814-6229
Dec. 12, 2003

Discussion Points

- ▶ **Overview**
- ▶ **BFRs & Trading Partner Arrangements**
- ▶ **Rural Carrier Issues**
- ▶ **Getting Set-Up**
- ▶ **Implementation and Operational Issues**
 - E9-1-1, NENA and Porting Intervals
 - JIP
 - LIDB/CNAM
- ▶ **NANC Flows and Processes**
- ▶ **Industry Work Groups**



Key Porting and Pooling Components

▶ **New Required Elements**

– Data Access For Call Routing

- ▶ LSMS: Local Service Management System
- ▶ Interfaces with Number Portability Administration Centers (NPACs)
- ▶ NPDB: Number Portability Database

– Pre-Port and Provisioning Systems

- ▶ ICP: InterCarrier Communication Process
- ▶ LSR/FOC: Local Service Request; Firm Order Commitment
- ▶ SOA: Service Order Administration
- ▶ Connection to NPACs for provisioning ported numbers

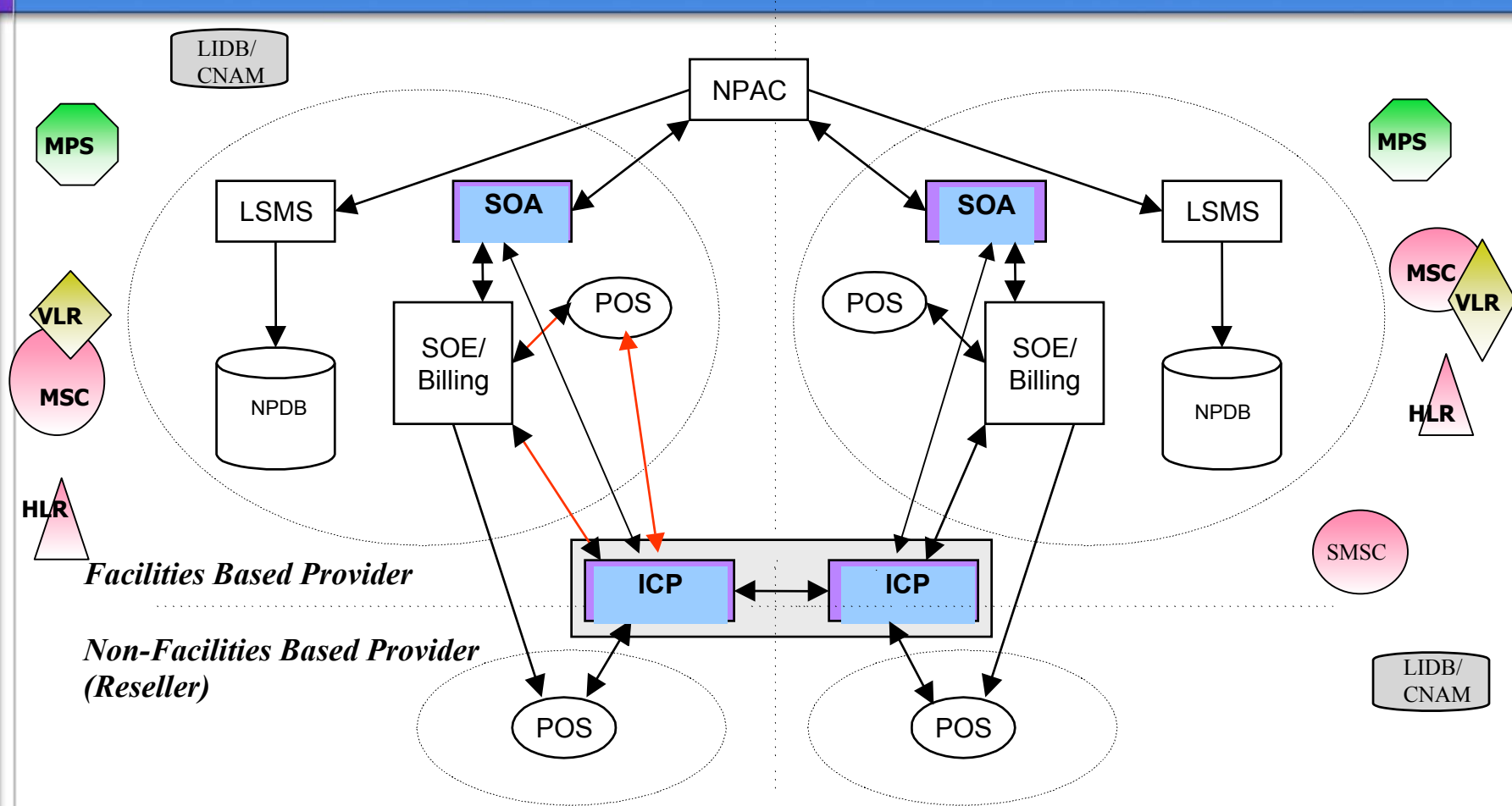
▶ **Elements requiring changes for WNP**

- SSP, MSC/VLR, Customer Care, HLR, POS, Billing, MPS, SMSC etc.



Old Service Provider

New Service Provider



Key:

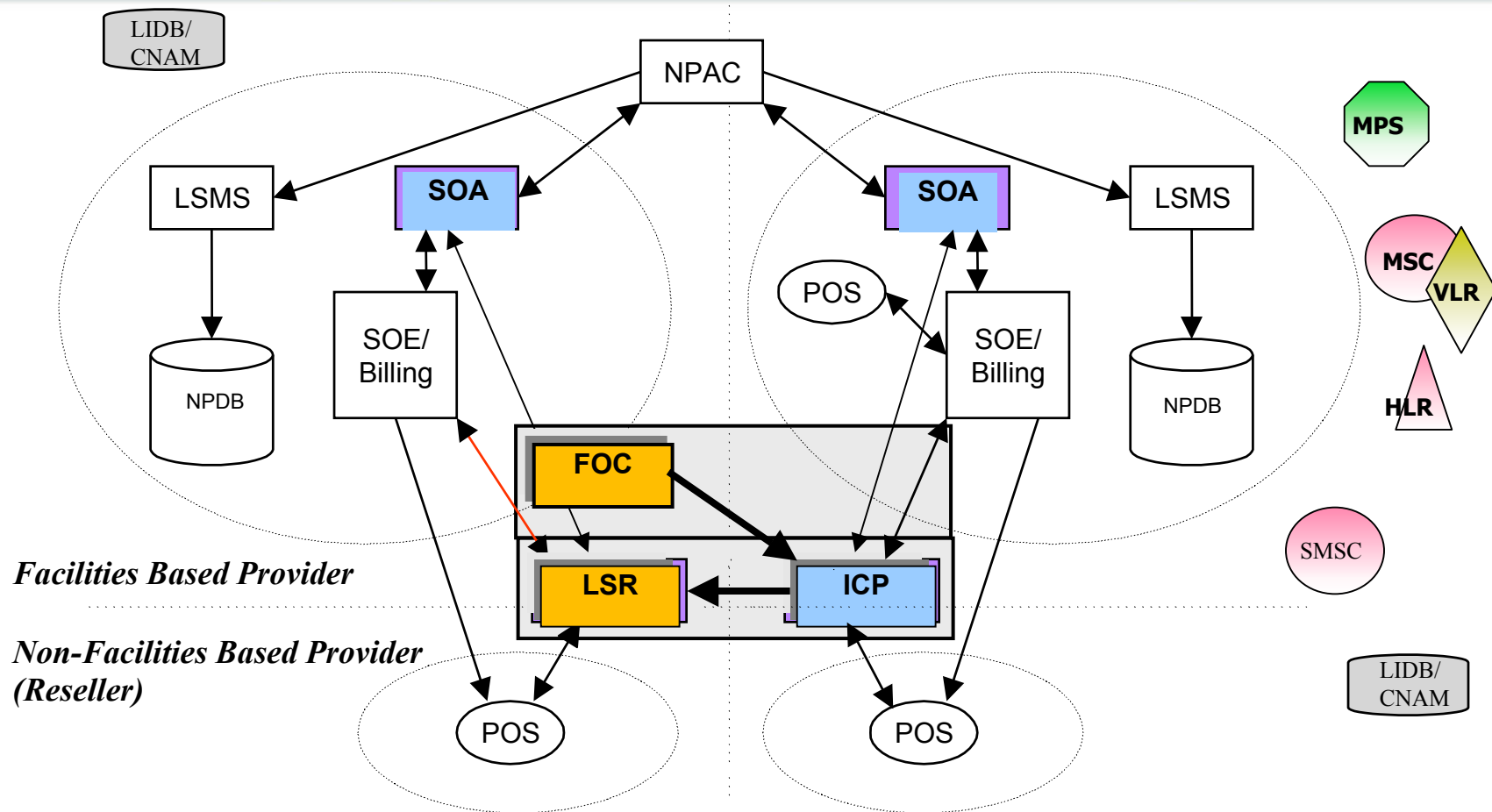
POS Point of Sale
SOE Service Order Entry
ICP Intercarrier Communication Process
SOA Service Order Administration

LSMS Local Service Management
NPAC Number Portability Administration Center
NPDB Number Portability Database



Old Service Provider Wireline

New Service Provider Wireless



Data Access or LRN Queries

- ▶ **A Data Access Service or Number Portability Database (NPDB) provides access to the number portability database for call routing information required for ported and pooled numbers.**
- ▶ **Carriers must have a mechanism in place to deliver calls made from their networks to ported or pooled numbers.**
- ▶ **Options Available to All Carriers**
 - Self-Deployment
 - Default to ILEC
 - Interconnection Agreements with each ILEC
 - Contract with a Service Bureau



FCC 03-284 Impact on Wireline to Wireless

- ▶ **As of Nov. 24, 2003, LEC's must port numbers to wireless carriers under the following conditions:**
 - The requesting wireless carrier's "coverage area" overlaps the geographic location of the rate center in which the customers wireline number is provisioned.
 - ▶ Big ??? How do wireline carriers determine coverage area & overlaps?
 - Wireless "coverage area" is the area in which wireless service can be received from the wireless carrier.
 - LEC's bear the burden of demonstrating, with specific evidence, that porting to a WSP without in an interconnection point or numbering resources within the same rate center is technically not feasible.
 - No rules or orders required WSP to have points of interconnect or numbering resources in the same rate center as the assigned number for wireline to wireless porting. (P24)



Bona Fide Requests (BFRs)

▶ Bona Fide Requests

- Either in or out of the Top 100 MSAs you must receive a specific request from a competitor

▶ BFRs should be checked for legitimacy

- Specifically request portability
- Identify the discrete geographic area covered by the request
- Provide a tentative date by which the carrier expects to utilize NP to port prospective customers
- Timeframes:
 - ▶ Remote Switches supported by host NP capable – 30 days
 - ▶ S/W required only – 60 days
 - ▶ H/W required – 180 days
 - ▶ Both required – 180 days

▶ Next Big Date: May 24, 2004



Trading Partner Business Arrangements

- ▶ Some sort of arrangement must be reached to exchange data
- ▶ **Interconnection Agreements – FCC 03-284 Ruling Impact:**
 - WSPs need not enter into 251 (252) interconnection agreements (IA) solely for the purpose of porting numbers.
 - Wireline carriers may not unilaterally require IA's prior to intermodel porting
 - IA's are not necessary to prevent unjust or unreasonable charges or practices by wireless carriers with respect to porting
 - IA's are not necessary for the intermodel porting for consumer protection
- ▶ **Service Level Agreements (SLAs)**
- ▶ **Business Arrangements**



Trading Partner Business Arrangements

▶ Exchange of data typically would include:

- Basic Contact information (escalation process, day-to-day personnel info)
- Basic Technical information sufficient to allow porting functionality
- Basic Technical information sufficient to allow pre-port customer validation (transmission method, fax numbers, test system information)
- Basic Information for customer validation (mandatory info and fields)
- Business Days/Hours for Porting
- Testing Agreements/Arrangements
 - ▶ Exchange test numbers
 - ▶ Exchange test set-up data
 - ▶ Testing days/hours
 - ▶ Tests to perform
 - ▶ Test configurations
- Scrutinize Any agreements before Signing
 - ▶ Legal review
 - ▶ Stipulations that are not legal or unscrupulous



Standardized Inter-Carrier Communication Process

▶ **Standardized Process Across All Carrier Types**

- Wireless is ICP to ICP (electronic)
- Wireline is LSR/FOC (electronic or fax)
- Wireline to Wireless is ICP/LSR or FOC/ICP (electronic or fax)

▶ **Porting Intervals – Simple Ports**

- Wireless to Wireless – 2.5 hours
 - ▶ ½ hour for validation, 2 hours for port
- Wireline to Wireline – 4 days
 - ▶ 1 day for validation, 3 days for port
- Wireline to Wireless – 4 days (NPRM)
 - ▶ Same as wireline
- Wireless to Wireline – 4 days (NPRM)
 - ▶ Same as wireline

▶ **FCC 03-284: NPRM – Looking for comment on shortening the wireline to wireless intervals.**



Standardized Inter-Carrier Communication Process

▶ Validation of Subscriber

- Ensure the correct customer is being ported
- Ensure the customer has identified the correct Old Service Provider

▶ Wireline validation process is the LSR/FOC

- LSR – Local Service Request – from new to old
- FOC – Firm Order Commitment – from old to new

▶ Methods to receive or transmit these requests/responses

- ILEC to CLEC: typically done over electronic interface
- CLEC to CLEC: typically done via Fax

▶ Validation Fields

- Wireless uses a minimal number of fields
- Wireline may require more data – i.e. service address



Local Service Request & Firm Order Commitment (LSR/FOC)

- ▶ Method of pre-port communication between service providers
- ▶ Used in wireline to wireline porting but may also a requirement for porting between wireline and wireless
- ▶ Use of the LSR and mandatory fields required are determined through interconnection agreements and vary from company to company
- ▶ Transmission of LSR information done via an Electronic Data Interchange (EDI), User Interface (UI), fax, or e-mail transfer



Setting Up

- ▶ **NPAC Contract** www.npac.com for User Agreements
- ▶ **Responsibilities:**
 - Switch Upgrades
 - ▶ NP Triggers
 - ▶ Ported-out markings
 - Open NPANXXs
 - Open LRNs
 - Capability to validate porting-out subscriber
 - Capability to accommodate a port-to-original
 - Any OSS integrations (billing, back-office system etc.)
 - How to deal with snapback and treatment of disconnected numbers
- ▶ **Become very familiar with the NANC flows**
- ▶ **Become very familiar with LSR/FOC process** (www.atis.org)
- ▶ **Contract for Service Order Administration or Low Tech Interface**
- ▶ **Customer Care considerations**
 - Methods and Procedures
 - Training



The Number Pooling Exemption

- ▶ **From the 4th Report and Order (FCC 03-126) Adopted May 28, 2003**
 - All carriers, except those specifically exempted, are required to participate in TBNP, in accordance with the national rollout schedule, regardless of whether or not they are required to provide LNP.
- ▶ **Exempts from the TBNP requirement:**
 - Rural Telco's and TIER 3 CMRS providers (< 500,000 subs) that have not received a request to provide LNP
 - Carriers in rate centers where they are the only provider with numbering resources.



Options to Rural Carriers to Consider

▶ **Waivers (03-284, P.30)**

- Carriers may file petitions for waiver of their obligations to port numbers to wireless
- Carriers, if they can provide substantial, credible evidence that there are special circumstances that warrant departure from existing rules.
- These waivers may postpone implementation but will not eliminate the requirement permanently.
- Several LECs had sought and been granted waivers

▶ **State Suspension Requests**

- Groups of rural LECs within states consider immediate filings to urge State commissions to act, even on a temporary basis, to avoid the Nov. 24th deadline.

▶ **Negotiate Company-Specific extensions of Implementation Time**

- Contact wireless provide and negotiate a mutually agreed upon implementation date.

▶ **Potential Joint Industry and Client Efforts**

- Contact your legal consultants or internal legal staff to determine if this is an effort you wish to join or already have done so.



No Interconnection or Compensation Arrangements

- ▶ **Example: TN was originally wireline and is now wireless but without direct connect from SSP**
 - Dropped call?
 - Call interrupt...“You must first dial a 1”
 - Routed to PICed IXC--Customer gets a surprise toll bill, was a local flat rate call
- ▶ **Without a compensation agreement**
 - Does the Rural carrier eat the transport costs
- ▶ **Impact of porting with no local interconnection or numbers is:**
 - Massive customer confusion
 - Subsidy to construction of large carrier network
- ▶ **Impact to Rural ILEC processes**
 - Provide customer education and guidance
 - Rural carrier will be get calls from irate customers for something that is beyond your control



E 9-1-1 Issues

▶ **Testing: Critical Issue**

- LAB tests appear to run smoothly but production (live network, real TNs) tests encountered major problems
 - ▶ Software adjustments are needed for both switch and 9-1-1 third party vendors
 - ▶ Communicate with your vendors to ensure your switches have needed patches
 - ▶ Carriers must test with MIN/MDN separated handsets

▶ **Porting Process**

- In a wireline to wireless port (inter-species) the service address must be removed from the 9-1-1 ALI database
- To ensure compliance, the port-in WSP must populate the “Number Portability Direction Indicator” (NPDI) field on the LSR (Local Service Request) form.

▶ **Mixed Service Callback Solutions**

- May not be resolvable
- Coordinate each port
- Wireline could shorten disconnect time
- Wireless could extend the activate time



E 9-1-1 and Intermodel porting

▶ **Mixed Service:**

- Sub has service from both carriers until porting process is complete
- Wireless carrier activates number before disconnect done at Wireline side
- Is not restricted to any one type of port – can occur across technology

▶ **Scenario:**

- SBC customer ports to Nextel, Nextel activates sub before NPAC broadcast occurs
- Sub calls 9-1-1 on wireless handset, sub gets cut-off before providing all information, responding PSAP calls back sub, but call is routed to wireline switch since download to NPDB has not been done yet
- Problem is subscriber is sitting in a ditch and the PSAP is calling his home telephone back



CNAM/LIDB Updates

- ▶ **Recently raised concerns regarding the use and update of databases such as LIDB and CNAM relative to a ported number**
 - Both old and new SP uses same database provider:
 - ▶ Old SP must first notify provider to delete record before an activation can take place
 - ▶ May delay port particularly if updates are via a batch process
 - Database provider will not input line record until port activation has occurred
- ▶ **This issue may be timing related**
- ▶ **Intent is not to change existing processes but rather for WSPs to understand the process and the timing requirements**
- ▶ **All WSPs should contact their LIDB/CNAM provider for more info**
- ▶ **WNPO looking for input from both wireline and wireless carriers**



NANC* Industry Process Flows

- ▶ **Inter-Service Provider LNP Operations Flows & Associated Narratives**
- ▶ **Porting process using LRN**
- ▶ **Service Provider Communications for both wireline and wireless**
- ▶ **Provisioning with a 10-Digit Trigger**
- ▶ **Management of Conflicts, Cancellations, Disconnects at NPAC Interface Level**
- ▶ **Code Opening and Audit Process**
- ▶ **Reseller Notification Process**
- ▶ **How to Manage Type 1 Interconnection Ports**
- ▶ **Available at www.npac.com**

*North American Numbering Council



Inter-Service Provider LNP Operations Flows

- Main Flow -

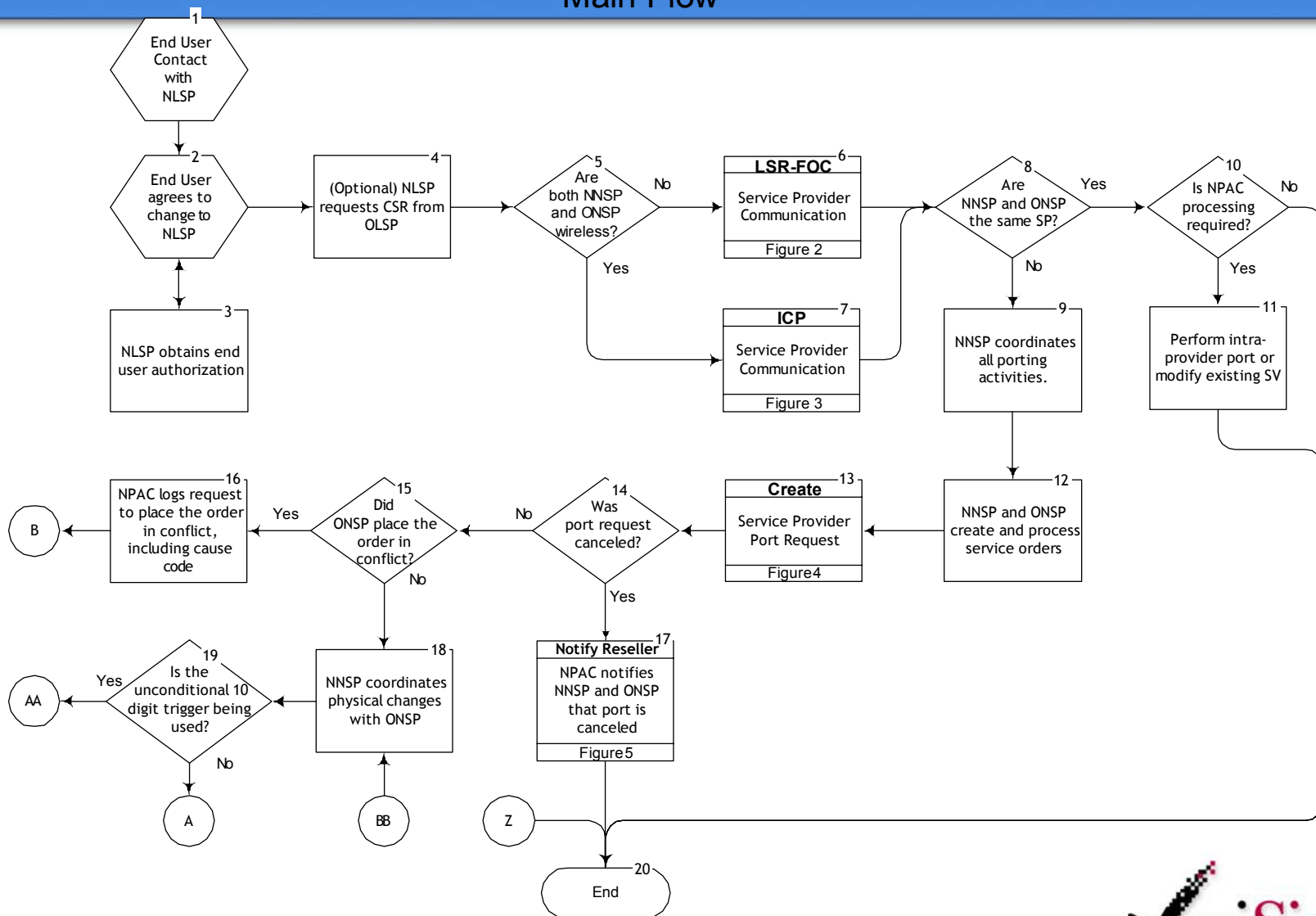


Figure 1

NPAC Timers, Help Desk Hours, and Maintenance Window Timeframes

	* NPAC Help Desk Hours		** Long Business Day Timers:			SP Maintenance Windows (Effective 11/02/03)	
Region (time zone)	Test Bed (3/1/02 – 11/23/03)	Production System (11/24/03 forward)	All Test Beds (3/1/02 and forward)	Production System (3/1/02 – 11/23/03)	Production System (11/24/03 forward)	SP (Standard) Maintenance Window	SP Extended Maintenance Window
Mid-Atlantic (Eastern)	N/A	8am – 8pm Central	3am – 11pm Central	3am – 11pm Eastern	8am – 8pm Central	2am – 8am Central	Midnight – 8am Central
Midwest (Central)	N/A	9am – 9pm Central	3am – 11pm Central	3am – 11pm Central	9am – 9pm Central	2am – 8am Central	Midnight – 8am Central
Northeast (Eastern)	N/A	8am – 8pm Central	3am – 11pm Central	3am – 11pm Eastern	8am – 8pm Central	2am – 8am Central	Midnight – 8am Central
Southeast (Eastern)	N/A	8am – 8pm Central	3am – 11pm Central	3am – 11pm Eastern	8am – 8pm Central	2am – 8am Central	Midnight – 8am Central
Southwest (Central)	N/A	9am – 9pm Central	3am – 11pm Central	3am – 11pm Central	9am – 9pm Central	2am – 8am Central	Midnight – 8am Central
West Coast (Pacific)	N/A	11am – 11pm Central	3am – 11pm Central	3am – 11pm Pacific	11am – 11pm Central	2am – 8am Central	Midnight – 8am Central
Western (Mountain)	N/A	10am – 10pm Central	3am – 11pm Central	3am – 11pm Mountain	10am – 10pm Central	2am – 8am Central	Midnight – 8am Central

* Help Desk is 7 days per week.

** Long Business Day Timers run seven days a week except NPAC Holidays.



Fall-Out Management – How to Manage It

- ▶ **Creation of the Fall-Out Reduction Team (FORT)**
- ▶ **Reports to the WNPO, active through Dec. 2004.**
- ▶ **Consists of wireline and wireless carriers, looking for more participants**
- ▶ **The WNPO 'Fallout Reduction' task force:**
 - A forum by which all Service Providers, Vendors, and Service Bureaus can voluntarily collaborate on reducing fallout that is a result of launch of Wireless Local Number Portability. The task force will analyze the porting processes to identify the root cause of the industry's fallout. The task force will make recommendations through the WNPO on the means to eliminate fallout to improve the consumers experience during the porting process.
- ▶ **Definition/Scope of Issue:**
 - Port transactions (in or out) that do not pass edits and/or validation through the ICP or LSR process (SOA or FAX)
 - Port transactions that are not completed in a manner agreed to in the industry standards and guidelines
 - WLNP initiated issues that may or may not have a known industry solution
 - Wireless to Wireless and intermodel Fallout will be addressed in this forum



Fall-Out Management etc.

▶ **Level of Fall-Out Varies & for Several Reasons**

- Errors from internal processes, system failures
- Errors, exceptions, rejects from trading partners
- Extensive Training from external forces and internally
- Lack of understanding of NANC process flows
- Lack of understanding of Business arrangements

▶ **Methods and Procedures need to be documented & distributed**

- Internal
- NPAC and Industry

▶ **Identified Issues**

- No official contributions (PIC Freeze)

Jurisdictional Information

- ▶ **Issue:** There is no information in the existing signaling that the terminating company can use to determine where a call originated.
 - Required in order to determine the correct jurisdiction for billing and some taxing processes.
 - Involves both local and interexchange call detail records produced for either a terminating access tandem or end office switch
 - Includes both cellular originated and CLEC switches serving more than one STATE/LATA
- ▶ **Desired result:** To provide a way, using recorded information, to identify the correct jurisdiction of the call to be used for billing and tax assessment.



Jurisdictional Information, cont.

► OBF Recent Proposal (9/30/03):

- JIP should be populated with a LERG-assigned NPANXX
- JIP should be populated in the IAMs of all wireline, wireless originating calls where technically feasible
- The NIIF does not recommend the JIP be mandatory since calls missing any mandatory parameter will be aborted but strongly recommends it be populated where technically feasible
- Where the originating switch cannot signal JIP it is desirable that the subsequent switch in the call path populate the JIP using a data fill default associated with the incoming route
- Where technically feasible, the JIP should be populated with an NPANXX that is specific to the state and LATA of the call and for wireless callers this should be based on the originating cell site



Failure to Comply & Enforcement

- ▶ **FCC primary enforcement goals are to bring licensees & others into compliance with the FCC rules & impose penalties where appropriate.**
 - Letters of Admonishment
 - Notice of Violation
 - Citation
 - Cease and Desist
 - License Revocation
 - Monetary Forfeiture
- ▶ **Forfeiture amounts are based on available guidelines including**
 - Forfeiture Guidelines Report and Order
 - Forfeiture Guidelines Reconsideration Order



WNPO – Wireless Portability Operations Team

▶ The Wireless Operations Team:

- Provides a forum for the identification, discussion and resolution of issues affecting Service Provider Operational groups in their mandated implementations for Service Provider Local Number Portability (LNP) within their respective companies.

▶ The Wireless Operations Team will be responsible for:

- Activations
- Customer Provisioning and Service
- Technical Support (Roaming)
- Testing
- Service Assurance
- Ancillary Services (911, roaming, SMS, etc.)
- Intercarrier Communications

▶ Reports to LNPA-WG & meets the same week, minutes located @ wireless section of www.npac.com



WTSC – Wireless Test Subcommittee

- ▶ **Main Purpose is to coordinate InterCarrier testing for WSPs**
- ▶ **Testing is in progress in several major markets across the country**
 - Test plans have been developed and are available for carriers
 - ITC and Network test schedule is posted at the web site
 - Carrier test SPOC contact names and numbers also available at web site
 - Majority of testing is by Tier 1; little Tier 2 and no Tier 3 participation
 - Little or no wireline rural carrier participation
- ▶ **WTSC has expressed concern that E9-1-1 testing has been inadequate. Critical that carriers test this functionality**
- ▶ **Some carriers have announced a moratorium on ICP – ICP testing from Nov. 15 to Jan. 15**
- ▶ **Reports to WNPO & meets the same week, minutes located @ wireless section of www.npac.com**
- ▶ **Continue to operate through June 2004 for new entrants**



InterSpecies Task Force Wireless Workshop

► Mission Statement

- Address and Resolve Issues pertaining to the ordering & provisioning of local telecom services between wireline and wireless providers
- Will research impacts to existing guidelines driven by wireline and wireless integration
- Prepared to provide supporting documentation for all recommendations as they relate to the WICIS or LSOG.
- Members are from Wireless Workshop, Local Services Ordering and Provisioning (LSOP) Committee, Directory Services Subcommittee

► Current Issues being Addressed

- Directory Issue
- Type 1 Migration
- Jurisdictional Information Parameter
- CLEC Migration

► Notes, agendas and meeting dates can be found at www.atis.org, OBF section



Helpful Sites

- ▶ <http://www.ported.com>
- ▶ <http://www.npac.com>
- ▶ <http://www.atis.org>
- ▶ <http://www.nanpa.com>
- ▶ <http://www.fcc.gov>
- ▶ <http://www.mbiadmin.com>
- ▶ <http://www.numberpool.com>
- ▶ <http://www.industry.net>
- ▶ <http://www.verisign.com>
- ▶ <http://www.webproforum.com>
- ▶ <http://www.global.ihs.com>
- ▶ <http://www.t1.org/t1p1/p1-grid.htm>
- ▶ <http://www.wow-com.com>
- ▶ <http://www.3gpp.org>
- ▶ <http://infocentre.gsm.org>



Helpful Documents

► LNP Standards Documents

- TRQ No. 01 April 1999 Number Portability Operator Services Switching Systems
- TRQ No. 02 April 1999 Number Portability Switching Systems
- TRQ No. 03 April 1999 Number Portability Database and Global Title Translations
- TRQ No. 04 July 1999 Thousand Block Number Pooling Using Number Portability
- TIA/EIA-41-D WNP Phase III PN-4411
- Wireless Inter Carrier Interface Specifications (WICIS V. 2.0.1)



Helpful Documents, cont.

► LNP Informative References

- FCC Report & Order CC Docket 99-200, Issued 3/31/2000
- FCC 2nd Report & Order, Issued 12/29/2000
- FCC 3rd Report & Order, Issued 12/28/2001
- INC Report on NP - 96-0607-013, Issued 6/7/96
- INC Thousand Block Pooling Admin Guidelines - 99-0127-023 Issued 1/10/00
- INC LRN Assignment Guidelines
- MBI Assignment Guidelines & Procedures – CTIA Issued 1/19/2001
- NANC LNPA-WG 1st, 2nd, & 3rd Report on Wireless/Wireline Integration



Helpful Documents, cont.

► LNP Informative References, cont.

- CTIA Report on Wireless Number Portability , Issued 7/7/1998
- NANC Risk Assessment Report: Launching Wireless Pooling or Porting without Ubiquitous MDN/MIN Split, Issued 2/5/2002
- CTIA Numbering Advisory WG Report on ICP
- Numbering Resource Optimization Third Order & Report, Issued 12/28/2001
- FCC Docket FCC 02-73 in the Matter of NRO, Issued 3/14/2002
- Deputy Chief Docket DA 02-948 in the Matter of NRO, Issued 4/24/2002
- FCC's Memorandum Opinion & Order (MO&O) Issued 7/16/2002
- NP for PSC 1900 SMS, ANSI T1.711-1999, May 27, 1999



Helpful Documents, cont.

► LNP Informative References, cont.

- TIA/EIA-41-D Enhancements for WNP Phase II, TIA-756-A, January, 2002
- TIA/EAI-D WNP-Phase3 (aka PN-4411) Enhancements for MDN Based Message Centers
- SMS Forum – Interoperability Work Group – Gateway Interconnect, V 0.02, Feb 2, 2002
- SMPP Developers Forum
 - MC Interworking Concepts, V 0.2, June 12, 2001
 - Inter-Carrier SMS Using SMPP, V 0.2, Feb. 8, 2002
 - SMPP Protocol Specification, V5.0 Draft14, Jan. 16, 2003
- FCC 4th Report & Order, Issued June 18, 2003
- FCC Memorandum Opinion and Order FCC 03-237, Adopted October 3, 2003
- FCC Memorandum Opinion and Order & NPRM FCC 03-284, Adopted November 7, 2003





The Value of TrustSM



Egyptian Telephone Cooperative Association

(Docket No. 03-0726)

Attachment 3

Egyptian Telephone Cooperative Association
LOCAL NUMBER PORTABILITY DATA SUMMARY

	Initial LNP Start-Up Cost	Year 1	Year 2	Year 3	Year 4	Year 5	Total LNP Cost Projections
<u>INVESTMENTS</u>							
LNP Software	\$ 15,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,200
OSS	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000
Voice Announcements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Switch Translations	\$ 3,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000
LNP Hardware	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LNP Transport Hardware	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>EXPENSES</u>							
Query	\$ -	\$ 534	\$ 623	\$ 712	\$ 801	\$ 890	\$ 3,561
Transport and Transit	\$ -	\$ 19,086	\$ 22,267	\$ 25,448	\$ 28,629	\$ 31,810	\$ 127,239
Regulatory/Legal/Admin/Order Processing	\$ 20,000	\$ 2,396	\$ 2,066	\$ 2,066	\$ 2,066	\$ 2,066	\$ 30,660
Employee Education	\$ 33,495	\$ 900	\$ 900	\$ 900	\$ 900	\$ 900	\$ 37,995
Technical Trouble	\$ 10,000	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 47,500
Customer Education	\$ 4,949	\$ 4,652	\$ 4,602	\$ 4,553	\$ 4,503	\$ 4,454	\$ 27,712
Sub-Totals	\$ 106,644	\$ 35,068	\$ 37,958	\$ 41,179	\$ 44,399	\$ 47,620	\$ 312,867
Present Value Factors	100.0000%	89.8876%	80.7979%	72.6273%	65.2830%	58.6813%	
Present Value Total Cost Projections	\$ 106,644	\$ 31,521	\$ 30,669	\$ 29,907	\$ 28,985	\$ 27,944	\$ 255,670
Access Lines							2,235
Months							60
Annual Expense per subscriber per month							\$ 1.91

1 Unless otherwise indicated, all data is from year-end 2002:

2	Egyptian Telephone Cooperative Association	
3	<u>I-CO Data</u>	
4	PBX Lines	0
5	ISDN-PRI Lines	0
6	Other Access Lines	3,299
7	Equipped Lines	3,800
8	Local MOU- Tandem 1	5,828,744
9	Local MOU- Tandem 2	6,842,438
10	Number of Employees	22
11	Number of End Offices Requiring Translations	1
12	RIC	\$ 0.012950
13	Tandem Switched Transport	\$ 0.009170
14		
15	<u>Tandem 1 Transiting Rates</u>	
16	Tandem Switching	\$ 0.004836
17	Tandem Transport	\$ 0.000189
18	Tandem Transport Facility	\$ 0.000093
19		
20	<u>Tandem 2 Transiting Rates</u>	
21	Tandem Transiting	0.0011662
22	Tandem Transport	-
23	Tandem Transport Facility	-
24		
25	<u>Assumptions</u>	
26	Average Holding Time Per Local Call	4.41
27	LNP Query Charge	\$ 0.003102
28	Present Value Factor, Year 1	0.89888
29	Present Value Factor, Year 2	0.80798
30	Present Value Factor, Year 3	0.72627
31	Present Value Factor, Year 4	0.65283
32	Present Value Factor, Year 5	0.58681
33	Wireless Penetration, Year 1	6%
34	Wireless Penetration, Year 2	7%
35	Wireless Penetration, Year 3	8%
36	Wireless Penetration, Year 4	9%
37	Wireless Penetration, Year 5	10%
38	Regulatory/Legal Fee Per Hour	\$ 200
39	Regulatory/Legal Hours, Year Zero	100
40	Customer Education, Cost Per Mailing	\$ 0.75
41	Customer Education, Number of Mailings Per Year	2
42	Employee Education, Cost Per Employee	\$ 300.00
43	Employee Education, Number Of Employees Per Year, 1-5	3
44	Cost Per Translation Per Office	\$ 3,000
45	Technical Cost Per Hour	\$ 50.00
46	Technical Hours, Year Zero	200
47	Technical Hours Per Year, 1-5	150
48	LNP Administration, Annual Fee	\$ 2,000
49	LNP Port Fee Per Ported Number	\$ 2.00
50	Software Cost Per Wired Line	\$ 4.00
51	Number of Employees Needing Technical Training	3
52	Cost Per Technical Training Per Employee	8,965

LOCAL NUMBER PORTABILITY DATA
FOR DEVELOPMENT OF LNP END USER AND QUERY CHARGES

COMPANY NAME	Egyptian Telephone Cooperative Association
STUDY AREA NUMBER	0

AVERAGE MONTHLY LINES		YEAR				
	0 (Current)	1	2	3	4	5
1. PBX	0	0	0	0	0	0
2. ISDN-PRI	0	0	0	0	0	0
3. Other (Sum of Residential, Single Line Business, Multiline Business, Centrex)	3,299	3,101	3,068	3,035	3,002	2,969
3a TOTAL	3,299	3,101	3,068	3,035	3,002	2,969
3b Present Value Access Line	3,299	2,787	2,479	2,204	1,960	1,742

INVESTMENTS		YEAR				
	0 (Current)	1	2	3	4	5
4. Software Upgrades Total: (Please also itemize below, and provide descriptions in the right-most column)	\$38,200	\$0	\$0	\$0	\$0	\$0
4a. LNP Software	\$15,200					
4b. OSS	\$20,000					
4c. Voice Announcements	\$0					
4d. Switch Translations	\$3,000					
5. Hardware & Other (Please list items below)						
5a. LNP Hardware						
5b. LNP Transport Hardware						
5c.						
5d.						
TOTAL	\$38,200	\$0	\$0	\$0	\$0	\$0

EXPENSES (Maintenance etc.)		YEAR				
	0 (Current)	1	2	3	4	5
6. Please list items below						
6a. Regulatory/Legal/Admin/Order Processing	\$20,000	\$2,396	\$2,066	\$2,066	\$2,066	\$2,066
6b. Employee Education	\$33,495	\$900	\$900	\$900	\$900	\$900
6c. Technical Trouble	\$10,000	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500
6d. Customer Education	\$ 4,949	\$ 4,652	4602	\$ 4,553	\$ 4,503	\$ 4,454
TOTAL	\$68,444	\$15,447	\$15,068	\$15,019	\$14,969	\$14,920

1 Egyptian Telephone Cooperative Association

2 Transport Costs - Tandem 1

3	Year	Transit & Transport Expense
4	1	\$ 9,526
5	2	\$ 11,113
6	3	\$ 12,701
7	4	\$ 14,289
8	5	\$ 15,876
9	Total	\$ 63,505

11 Transport Costs - Tandem 2

12	Year	Transit & Transport Expense
13	1	\$ 9,560
14	2	\$ 11,153
15	3	\$ 12,747
16	4	\$ 14,340
17	5	\$ 15,933
18	Total	\$ 63,734

20 Query Dip Charges

21	Year	Query Charge
22	1	\$ 534
23	2	\$ 623
24	3	\$ 712
25	4	\$ 801
26	5	\$ 890
27	Total	\$ 3,561

		units		cost per		Total
4a.	LNP Software	3,800	\$	4	\$	15,200
4b.	Billing Software	1	\$	20,000	\$	20,000
4d.	Switch Translations	1	\$	3,000	\$	3,000
5.	Hardware & Other (Please list items below)					
5d.						

6.	EXPENSES					
	Please list items below					
6a.	Regulatory/Legal/Admin/Cust Svc	yr1	100.00	\$	200	\$ 20,000
	yr1-5	Admin	5.00	\$	2,000.00	\$ 10,000
	yr1		198	\$	2.00	\$ 396
	yr2-4		132	\$	2.00	\$ 264
						\$ 10,660
6b.	Employee Education	Tech	3.00	\$	8,965	\$ 26,895
		Others	22.00	\$	300	\$ 6,600
6c.	Technical Support/Processing/Trouble	tech	200.00	\$	50	\$ 10,000
			150.00	\$	50	\$ 7,500
6d.	Customer Education		3,299.00	\$	0.75	\$ 4,949